

STATE OF MAINE
PUBLIC UTILITIES COMMISSION

Docket No. 97-551

November 3, 1997

CENTRAL MAINE POWER COMPANY
Petition for Approval to Enter
Into a Contract with An Affiliated
Interest

ORDER APPROVING PETITION
FOR AFFILIATED INTEREST
TRANSACTION

WELCH, Chairman; NUGENT and HUNT, Commissioners

On August 18, 1997, MaineCom Services (MaineCom) filed a petition for approval of an area license agreement with Central Maine Power Company (CMP) for the attachment of equipment by MaineCom to the communications space of utility poles that CMP owns or uses.¹ MaineCom and CMP are affiliated interests. Therefore, the Commission must approve the contract under 35-A M.R.S.A. § 707(3). On September 19, 1997, in Docket No. 97-249, we granted MaineCom the authority pursuant to 35-A M.R.S.A. § 2102 to provide telephone service in Maine. In the course of that Order, we granted an exemption to MaineCom for the need to obtain approval for contracts or arrangements with affiliated interests pursuant to section 707. There is no exemption from the requirements of sections 707 and 708 for CMP. With CMP's consent, CMP is substituted as the applicant for approval in this docket.

We have reviewed the agreement. Because we actively regulate CMP's rates, the primary matter of interest to us is that CMP receive a level of compensation that is consistent with the interest of its ratepayers.

The contract allows MaineCom to attach facilities to the "communications space" on utility poles owned by CMP, Bell Atlantic-Maine and by both CMP and Bell Atlantic-Maine jointly.² Under the agreement, MaineCom will pay CMP \$24.33 per attachment per pole per year, regardless of whether the pole is solely owned and solely used by CMP, or jointly owned or jointly used by CMP

¹The agreement also governs attachments to poles owned or partly owned by New England Telephone and Telegraph Company d/b/a Bell Atlantic-Maine, which is also a party to the agreement. Bell Atlantic-Maine is not an affiliated interest of either CMP or MaineCom and, therefore, no approval under section 707 is required.

²A contract to allow MaineCom to attach to the "electric space" on CMP's poles was approved previously in Docket No. 96-421.

and Bell Atlantic-Maine. That is the same amount that Bell Atlantic now pays to CMP for attachments by Bell Atlantic-Maine to poles used or owned jointly by CMP and Bell Atlantic-Maine. That amount is greater than the amount that the independent telephone companies pay to CMP for the use of the same communications space. Both of those amounts were negotiated at arms' length by nonaffiliated entities. The amount of \$24.33 is also higher than the amount that would be required by applying the formula in Chapter 880 of the Commission's Rules governing the rates for pole attachments in the event of a dispute between an attacher and a pole owner.

Because we **FIND** that the rate paid by MaineCom to CMP and the other terms and conditions of the contract are reasonable, we **APPROVE**, pursuant to 35-A M.R.S.A. § 707(3), the area license agreement between Central Maine Power Company and MaineCom filed on August 18, 1997.

Dated at Augusta, Maine this 3rd day of November, 1997.

BY ORDER OF THE COMMISSION

Dennis L. Keschl
Administrative Director

COMMISSIONERS VOTING FOR: Welch
 Nugent
 Hunt